

Message Text

UNCLASSIFIED

PAGE 01 VANCOU 00100 020030Z
ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 USIA-15 AID-05 EB-08 NSC-05
CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00
COME-00 FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06 LAB-04
SIL-01 PA-02 PRS-01 /097 W
-----020239Z 013917 /70

R 012100Z FEB 77
FM AMCONSUL VANCOUVER
TO SECSTATE WASHDC 3297
INFO AMEMBASSY OTTAWA

UNCLAS VANCOUVER 0100

E.O. 11652: N/A
TAGS: PGOV, EFIN, CA
SUBJECT: BRITISH COLUMBIA BUDGET FOR FISCAL YEAR 1977/78

1. PREMIER BENNETT'S SOCIAL CREDIT GOVERNMENT ON JANUARY 24 BROUGHT DOWN A BALANCED BUDGET OF DOLS 3.83 BILLION FOR THE FISCAL YEAR COMMENCING APRIL 1, 1977. FINANCE MINISTER EVAN WOLFE STATED IN HIS BUDGET SPEECH THAT THE ESTIMATES ARE DESIGNED TO DEMONSTRATE THAT THE GOVERNMENT INTENDS TO CONTINUE TO CONTROL AND RESTRAIN SPENDING AND TO CREATE JOBS AND STIMULATE INVESTMENT IN B.C.

2. THE BUDGET PRODUCED FEW DRAMATIC MOVES WITH REGARD TO EITHER REVENUES OR EXPENDITURES. ON THE REVENUE SIDE, THE GOVERNMENT, BOTH TO FULFILL A CAMPAIGN PROMISE AND TO STIMULATE INVESTMENT, ANNOUNCED PLANS TO REPEAL SUCCESSION DUTIES AND GIFT TAXES(ESTIMATED COMBINED AVERAGE OF DOLS 25.5 MILLION ANNUALLY), AND REFRAINED FROM PROPOSING ANY NEW TAX INCREASES. IN ADDITION, THE GOVERNMENT PROPOSES TO ALLOW MINING COMPANIES TO WRITE OFF EXPLORATION COSTS AGAINST INCOME SUBJECT TO CORPORATE TAXES. EXPENDITURES, ON THE OTHER HAND, WILL BE ALLOWED TO RISE BY ONLY 5.9 PERCENT IN LINE WITH THE FEDERAL ANTI-INFLATION BOARD'S TARGET OF SIX
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 VANCOU 00100 020030Z

PERCENT FOR 1977 PRICE AND SPENDING INCREASES. THE MAIN PROGRAMS FOR JOB CREATION CONSISTS OF DOLS 15 MILLION FOR STUDENT SUMMER EMPLOYMENT AND DOLS 70 MILLION FOR HIGHWAY CONSTRUCTION.

3. WOLFE EXPRESSED CAUTIOUS OPTIMISM ABOUT THE STATE OF THE ECONOMY AND ESTIMATED A REAL INCREASE IN GROSS PROVINCIAL

PRODUCT OF FIVE TO SIX PERCENT IN 1977 IF ECONOMIC CONDITIONS CONTINUE TO IMPROVE IN B.C.'S MAJOR EXPORT MARKETS AND IF BRITISH COLUMBIANS "... COME TO EXPECT LESS, DEMAND LESS, AND PRODUCE MORE." WOLFE SPECIFICALLY CALLED FOR AN END TO LABOR-MANAGEMENT DISPUTES WHICH "RETARD ECONOMIC PROGRESS."

COMMENT: THE SOCRED BUDGET HAS ELICITED A MIXED RESPONSE. PRESS EDITORIALS DESCRIBE IT AS A "SAFE" BUDGET AND PROBABLY "RIGHT" FOR THE TIMES BECAUSE IT IS PREDICATED ON SOMEWHAT BETTER ECONOMIC TIMES FOR THE PROVINCE BUT CUSHIONS THE GOVERNMENT AGAINST NOT-SO-GOOD TIMES. THE BUSINESS COMMUNITY FINDS A BALANCED BUDGET "FISCALLY SOUND" AND WELCOMES THE FACT THERE ARE TO BE NO TAX INCREASES. HOWEVER, BOT MEDIA AND BUSINESS LEADERS HAVE EXPRESSED DISAPPOINTMENT THAT THE SOCREDS DID NOT ANNOUNCE NEW PROGRAMS OR INITIATIVES "OF ANY REAL SIGNIFICANCE IN PURSUIT OF ECONOMIC RECOVERY." SPECIFICALLY, AS STATED BY VANCOUVER SUN BUSINESS EDITOR FROEHLICH, "THERE IS NO ATTEMPT AT OFFERING INCENTIVES TO INVESTORS OR THE BUSINESS COMMUNITY TO UNDERTAKE CAPITAL INVESTMENT IN THIS PROVINCE." THE NDP OPPOSITION, WHILE CRITICIZING THE BUDGET FOR ITS LACK OF ATTENTION TO THE PROBLEM OF HIGH UNEMPLOYMENT AND FOR ALLEGED CUTBACKS IN SOCIAL SERVICES AND ASSISTANCE, HAS HIGHLIGHTED THE REPEAL OF SUCCESSION AND GIFT TAXES AND LABELLED THE ESTIMATES A "MILLIONAIRE'S" BUDGET AND "RICHICARE."
LUPPI

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PROVINCIAL GOVERNMENT, BUDGET ESTIMATES
Control Number: n/a
Copy: SINGLE
Sent Date: 01-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977VANCOU00100
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770036-0525
Format: TEL
From: VANCOUVER
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770283/aaaacvxe.tel
Line Count: 88
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 647f6dcd-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 22-Sep-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3437284
Secure: OPEN
Status: NATIVE
Subject: BRITISH COLUMBIA BUDGET FOR FISCAL YEAR 1977/78
TAGS: PGOV, EFIN, CA
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/647f6dcd-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009